



"GUARANTEED" SUCCESS



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EQUAL HOUSING
OPPORTUNITY

USDA, RURAL DEVELOPMENT FLORIDA/VIRGIN ISLANDS Guaranteed Residential Loan



GREAT NEWS! The Rural Development adjusted household income limits have been increased.

These are NOT gross income limits.

<u>Counties</u>	<u>1- person</u>	<u>2- person</u>	<u>3- person</u>	<u>4- person</u>	<u>5- person</u>	<u>6- person</u>	<u>7- person</u>	<u>8- person</u>
All Florida & Virgin Island Counties <u>EXCEPT</u> those listed below.	48,000	54,850	61,700	68,550	74,050	79,000	85,000	90,500
<u>Clay, Duval, Nassau, St. Johns</u>	48,550	55,500	62,400	69,350	74,900	80,450	86,000	91,550
<u>Collier</u>	56,200	64,250	72,250	80,300	86,700	93,150	99,950	106,000
<u>Palm Beach</u>	51,850	59,250	66,650	74,050	79,950	85,900	91,800	97,750
<u>Broward, Pinellas, Monroe are NOT eligible</u>								

This income chart is used solely to determine if the household income is within the Agency limits. If the customer's gross household income is above these limits, determine if there are allowable deductions such as:

- ✓ Verifiable childcare expenses for children 12 years old or less.
- ✓ One annual deduction of \$480 for each non-applicant under 18 years old.
- ✓ One annual deduction of \$480 for family members 18 and older who are disabled.
- ✓ One annual deduction of \$480 for a full-time student aged 18 or over (who is not the applicant).
- ✓ One annual deduction of \$400 for any elderly family as defined by the Agency.
- ✓ Aggregate of medical expenses of an elderly family that exceeds 3% of their gross annual income.
- ✓ Attendant care and auxiliary apparatus expenses for each disabled member of any household and necessary to enable any household member to be employed, that exceed 3% of gross annual income.

EXAMPLE: In Clay, Nassau, St Johns, and Duval Counties, a family of four with two young children and paying \$10,000 annual child care could have a gross household income of \$80,310.00. They could afford approximately \$330,000 housing cost (6.25% 30-yr, front ratio 32%). Don't forget: there is no limit on CLTV when soft second liens are present, such as the SHIPP or HOME assistance. MCCs can be utilized.

OTHER SIGNIFICANT CHANGES/ENHANCEMENTS

- Home ownership education is optional.
 - The education requirement was a financial burden for the family and slowed the processing time. The education is valuable and is recommended.
- In-ground swimming pools not contributing significant value will be considered on a case-by-case waiver basis.
 - Lenders must provide a request in memorandum format to the local Rural Development office. No additional documentation is needed. The memorandum must clearly identify the customer, property address, lender name and contact, and the value with and without the pool. Lenders can avoid a delay in loan processing time by submitting the request early in the loan process.
- Changed the Agency loan package checklist to allow submission of a completed but unsigned Form 1980-21, Request for the guarantee.
 - This removes a hardship on both the lender and the customer and allows the lender to fully utilize their fast-track processing. The form with original underwriting lender and customer(s) signature must be delivered with the Agency post closing package. A Guarantee will not be issued until the form with original signatures is received.
- Education/training can substitute for job tenure for professionals beginning their first/new career. This is a terrific loan for the beginning school teacher, nurse, fireman, etc.
- Deferred student loans may be omitted from the repayment ratios unless they begin payment within 6 months. Those over 6-months are counted at the discretion of the underwriter.
- A new handbook with revision date of May 1, 2006, will be posted to the FL/VI web site: www.rurdev.usda.gov/fl/quarrhs.htm Click on the loan origination page. The handbook is available from any Rural Development office in hard copy or emailed.

DO YOU KNOW THE RURAL DEVELOPMENT LOAN FEATURES?

No mortgage insurance; max loan unlimited; loan is NOT limited to the lesser of contract price or appraisal (wrap closing costs or repairs into the loan, no need to jockey the loan for increased seller contribution); max loan is the appraisal PLUS the one-time Rural Development fee; earn normal fees and premiums comparable to other low-down payment products; customers can retain cash up to 20% of the purchase price and get into a home with ZERO out of pocket cash; unrestricted/undocumented gifts; no min credit score.

For more information, go to www.rurdev.usda.gov/fl/quarrhs.htm and click "Loan Origination Page"